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Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
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Implementation of the )  
Cable Television Consumer )  
Protection and Competition )  
Act of 1992 )  
 )  
Cable Home Wiring )

MM Docket No. 92-260

**RESPONSE OF BELL ATLANTIC<sup>1</sup>**  
**TO PETITIONS FOR RECONSIDERATION****1. Introduction and Summary**

The Commission's Order in this proceeding is an important first step toward providing consumers the benefits of competition in the installation and maintenance of cable home wiring and in the delivery of broadband services.<sup>2</sup>

As a wide range of commenters in this proceeding emphasized, however, the Commission can provide the greatest benefit to consumers and break cable's bottleneck control of broadband access to the home only by applying to cable the same rules that already apply to telephone inside wire.<sup>3</sup> These rules would enable consumers to receive competing services over their

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<sup>1</sup> The Bell Atlantic telephone companies ("Bell Atlantic") are The Bell Telephone Company of Pennsylvania, the four Chesapeake and Potomac telephone companies, The Diamond State Telephone Company and New Jersey Bell Telephone Company.

<sup>2</sup> Report and Order, MM Dkt 92-260 (rel. Feb. 2, 1993).

<sup>3</sup> See Reply of Bell Atlantic at 1-2 (listing commenters supporting application of telephone inside wire rules).

existing cable wiring regardless of whether they have terminated their cable service.<sup>4</sup>

The Commission agreed that these "broader cable home wiring rules could foster competition," but left the issue to be resolved in future proceedings because of the time constraints imposed by the 1992 Act.<sup>5</sup> Now that the deadline for adopting initial rules has been satisfied, the Commission should reconsider its Order and apply to cable the same rules that apply to telephone inside wire,<sup>6</sup> or promptly initiate any further proceedings it deems necessary to do so.

In addition, the Commission should grant reconsideration of its rules in several respects to promote competition in multiple dwelling unit ("MDU") settings, such as apartment buildings and condominiums.<sup>7</sup>

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<sup>4</sup> For example, this would enable consumers to receive video on demand services delivered over a video dial tone network without having to choose between terminating their basic cable service or having their homes rewired.

<sup>5</sup> Order at 4.

<sup>6</sup> See Petition for Reconsideration of the Nynex Telephone Companies at 5-6 ("Nynex Pet.").

<sup>7</sup> The Commission should also grant the Petition of the Wireless Cable Association ("WCA Pet."), and adopt measures to protect consumers who choose to terminate their cable service from gamesmanship by cable operators. For example, the same 7 day time limit should apply to removal of cable home wiring that applies for installing cable service. WCA Pet. at 3-6. This will limit the instances in which cable operators claim an intention to remove existing wiring upon termination, only to change their minds after consumers have paid to have new wiring installed.

**2. The Commission Should Adopt A Different Demarcation Point For MDUs**

The Commission's Order establishes a demarcation point in MDUs that is 12 inches outside the point where cable wiring enters a subscriber's individual unit.<sup>8</sup> This will be unworkable in many instances and will likely impede, rather than promote, competition.<sup>9</sup>

The fundamental problem that distinguishes MDUs from single family homes is that space limitations in hallways or other common areas of MDUs in many instances make the installation of a second, duplicative wire for each unit prohibitively expensive or impossible.<sup>10</sup> At a minimum, a customer who chooses to subscribe to a competing system will incur the additional cost of installing duplicate wiring up to the wall of their individual unit.<sup>11</sup> This will deter consumers from using a competing service.

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<sup>8</sup> Order at 7.

<sup>9</sup> See Nynex Pet. at 2-4; Petition of Liberty Cable Company, Inc. for Reconsideration and Clarification at 1-5 ("Liberty Pet.").

<sup>10</sup> Nynex Pet. at 3-4; Liberty Pet. at 3-4.

<sup>11</sup> This is not a small problem. According to the Census Bureau, in the states served by Bell Atlantic alone there are over 1.5 million apartment units in MDUs with 10 or more units. A conservative estimate of the cost (including labor and materials) to rewire hallways and common areas is \$50 per unit. See Comments of Bell Atlantic at 2-3. This means that the total cost if just half these units were to switch to a competing service would be approximately \$38 million.

By far the best solution to this problem is to apply the telephone inside wire rules to cable, and define the demarcation point for MDUs to be the minimum point of entry into the building or the output side of any active electronics located in the building.<sup>12</sup> Under this approach, the building owner will control common wiring in the building and individual unit owners will control wiring dedicated to their individual units.<sup>13</sup> This will promote competition, and will establish a measure of parity in the regulatory treatment of the cable and telephone industries.

Alternatively, and only as an interim measure until the telephone rules are adopted for cable, the Commission should at least include within the definition of cable home wiring any wire in hallways or other common areas of MDUs that is dedicated to an individual unit.<sup>14</sup> In these instances, the demarcation point should be the point at which the dedicated wire can be detached from any common wiring or equipment that serves multiple units.<sup>15</sup> Consumers who terminate cable service will then be able to continue using the dedicated wire to obtain competing services. Otherwise, this wire will lie unused, and the consumer will incur the cost of installing duplicate wiring.

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<sup>12</sup> Nynex Pet. at 3.

<sup>13</sup> See Reply of Bell Atlantic at 6.

<sup>14</sup> For example, dedicated wires may run from a wire closet or other central point to individual units.

<sup>15</sup> Liberty Pet. at 5.

**3. The Commission Should Bar The Use Of "Loop Through" Technology For New Installations In MDUs**

The Commission's Order excludes "loop through" systems from its rules on the basis that these systems transport a common signal through a continuous, unbreakable circuit to all subscribers in a building.<sup>16</sup> Like low-budget christmas tree lighting, one break in the circuit and all the lights go out. As a result, these systems pose a customer service problem apart from the competitive issue. The solution to the problem posed by these systems, however, is not to deny residents the option of changing to a competing provider.

At a minimum, the Commission should bar the use of loop through technologies for all new installations.<sup>17</sup> This will prevent cable operators from using this exception to evade the rules in the future, and will limit the number of consumers who are penalized because of their cable operator's choice of inside wire technologies.

In addition, control of the common wire inside the building should be placed in the hands of the building owner or operator. In this way, where loop through wiring is already in place, residents could still collectively decide to switch to a

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<sup>16</sup> Order at 7.

<sup>17</sup> Nynex Pet. at 4-5.

competing provider without having to rewire the entire building.<sup>18</sup>

**4. The Commission Should Bar Cable Operators From Entering Into Exclusive Contracts To Serve MDUs**

The Commission should also expressly bar cable operators from entering into long term exclusive contracts with the owners or managers of MDUs.

By foreclosing competing service providers from obtaining access to MDUs, these exclusive arrangements would circumvent the Commission's cable home wiring rules and would deny residents of these buildings the ability to choose between competing services.<sup>19</sup> As a result, these arrangements should be barred, just as the Commission has already barred other types of exclusive arrangements that would enable cable operators to impede competition.<sup>20</sup>

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<sup>18</sup> Nynex Pet. at 4-5; see also Liberty Pet. at 6-7.

<sup>19</sup> This does not mean that building owners would automatically be required to grant access to their premises for a competitor's wiring; obtaining access to the building would still be a matter between the building owner or manager and the competing service provider. Rather, it would simply prevent cable operators from inducing building owners into entering exclusive agreements that contractually foreclose competitors from obtaining access.

<sup>20</sup> See Broadcast Signal Carriage Issues, MM Dkt 92-259, Report and Order at 97 (rel. Mar. 29, 1993) (prohibiting exclusive retransmission consent agreements between cable operators and broadcasters); Development of Competition in Video Programming Distribution and Carriage, MM Dkt 92-265, First Report and Order at 20-34 (rel. Apr. 30, 1993) (prohibiting exclusive contracts between cable operators and satellite programmers).

Respectfully submitted,

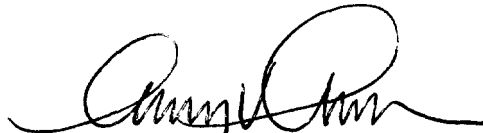
A handwritten signature in dark ink, reading "Michael E. Glover". The signature is written in a cursive style with a large, stylized "M" and "G".

Edward D. Young, III  
John Thorne

Michael E. Glover  
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**CERTIFICATE OF SERVICE**

I hereby certify that on this 18th day of May, 1993, a copy of the foregoing "Response of Bell Atlantic to Petitions for Reconsideration" was served by U.S. mail, first class, postage prepaid upon the parties on the attached service list.

  
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